

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 03-04

DATE: 05/30/2003

DISPOSAL DATE: 5/31/2005

**RE: 2004 BASE INCOME
MAINTENANCE ADMINISTRATIVE
ALLOCATION – PRELIMINARY
NOTICE**

To: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

From: Mark B. Moody
Administrator
Division of Health Care Financing

PURPOSE

This memo provides preliminary funding notice of the base Income Maintenance Administrative Allocation (IMAA) for Income Maintenance (IM) Programs for the period January 1, 2004, through December 31, 2004 (Calendar Year (CY) 2004), for counties and October 1, 2003, through September 30, 2004 (Program Year (PY) 2004), for the tribes.

This preliminary notice, which contains the base IMAA only, is being shared at this time to facilitate budget planning. These preliminary allocations may change based on enactment of additional state or federal legislation. In addition, the implementation of the Random Moment Time Study (RMS) impacts the amount of federal funding claimed for IM programs. As a result, the amount of federal funding available for IM administration for 2004 may be lower or higher than anticipated, and these preliminary funding amounts may be affected.

Additional funding amounts for Medicaid Transportation, W-2 Funeral/Cemetery, Non W-2 Funeral/Cemetery, Public Assistance Fraud Program - Program Integrity, and Public Assistance Fraud - Investigation will be issued in one or more separate Administrator's Memos.

GENERAL IMAA FUNDING

The IMAA includes funding for the administration of the Food Stamp Program (FS) and Medicaid (MA) and related Medicaid Programs.

The state General Purpose Revenue (GPR) funding portion is contract controlled. However, contract overspending, using local funding as match, will be available for federal matching

funds for FS and MA related expenditures. Pre-payments will be issued. Estate Recovery Program Incentive funding may supplement the IMAA for some or all counties and tribes throughout the contract period.

CHANGES IN THE IMAA ALLOCATION FORMULA METHODOLOGY

The methodology for distributing the IMAA has been revised. A joint workgroup including local agency representatives and DHFS representatives provided input on the recommended formula, and DHFS made the final decision on the formula.

In 2003, statewide funding for the base IMAA was \$57.3 million. In 2004 the statewide funding amount is currently expected to be \$50.6 million. Given that funding for 2004 is currently expected to be lower as compared to the 2003 base allocations, the formula was developed to assure equity across agencies of all size, and to minimize the impact of the reduced funding available.

The CY/PY 2003 allocations were based, in part, on the March 2001 caseload data after base funding had been distributed. Allocations for CY/PY 2004 will be based on the unduplicated FS and MA cases shown on the March 2003 CARES-RP600A-RPD report. To assure equity under the new formula, funds will be distributed to the extent possible based on the agency's share of this most recent statewide caseload. Attachment 1 shows the March 2001 and March 2003 caseload information by agency.

GENERAL OVERVIEW OF CY/PY 04 METHOD

A base amount will be set for small agencies only, defined as those with an unduplicated caseload of less than 500 cases. The base amount for small agencies will not change as compared to 2003. As in 2003, all small agencies with an unduplicated FS and MA caseload between 1 to 200 will receive a base amount of \$97,600. This base represents funding for two full time employees and the associated Agency Management Support and Overhead (AMSO) expenses. All agencies with an unduplicated FS and MA caseload between 201 to 499 will receive a base amount of \$160,644. This base funding is for three full time employees and the associated AMSO expenses.

After the base amount is allocated, the remaining funding will be distributed to agencies with caseloads of 500 or greater based on the March 2003 caseload information. After these amounts are determined for each agency, three adjustments are made, as follows:

1. If the amount for an agency with a caseload of 500 or more is lower than the base allocation amount, the agency receives the base allocation;
2. To minimize the impact of the reduction in funding, no agency will receive a decrease of greater than 16% compared to 2003; and
3. In order to achieve this hold harmless of 16%, all agencies with a caseload of 500 or greater will receive a decrease compared to 2003 of at least 8.217%.

The following chart provides the new IMAA formula.

Agency Size – Based on Unduplicated Food Stamp and Medicaid cases – March 2003 (CARES-RP600A-RPD report)	<i>Base Allocation</i>	<i>Remaining Funds after Base Allocation is Distributed</i>
1- 200 cases	\$97,600	None
201-499 cases	\$160,644	None
500 or more cases	None	Based on cases over 500, then adjusted to ensure base funding and for maximum and minimum decreases

NEXT STEPS

The allocations shown in Attachment 2 are the preliminary allocations based on the method described above and action by the Joint Committee on Finance through May 30, 2003. Final allocations may be changed by further legislative action and further assessment of the impact of the RMS on the amount of federal funding available for IM programs.

Over the next few months the language for the CY/PY 2004 Income Maintenance contracts will be finalized, including consideration of new language on performance standards. Payment accuracy for Food Stamps is one performance standard that is addressed in the current and prior contracts. Additional areas for performance standards under discussion are program participation, application processing timeliness, establishment of claims and benefit recovery. Recommendations on contract language related to these performance standards is being developed by the Quality Assurance Subcommittee of the Income Maintenance Advisory Committee (IMAC). For details on these recommendations, see the IMAC website at www.imac.state.wi.us. Contract language for the tribal contracts has been finalized. The Department expects to finalize contract language for the county contracts by August 2004.

ATTACHMENTS

Unduplicated Medicaid And Food Stamp Caseload
Preliminary Base Allocations For 2004 IM Contracts

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Attachment 1

UNDUPLICATED MEDICAID AND FOOD STAMP CASELOAD

March 2001 and March 2003

AGENCY	MARCH 2001	MARCH 2003
STATEWIDE TOTAL	204,545	262,218
ADAMS	998	1,262
ASHLAND	1,329	1,495
BAD RIVER	151	185
BARRON	2,381	2,911
BAYFIELD	705	802
BROWN	5,858	8,628
BUFFALO	560	639
BURNETT	812	968
CALUMET	739	1,017
CHIPPEWA	2,329	2,883
CLARK	1,262	1,591
COLUMBIA	1,429	1,870
CRAWFORD	764	1,015
DANE	9,641	13,133
DODGE	2,330	2,881
DOOR	800	1,090
DOUGLAS	2,391	2,792
DUNN	1,392	1,857
EAU CLAIRE	3,365	4,416
FLORENCE	247	284
FOND DU LAC	3,203	4,168
FOREST	531	615
GRANT	1,726	2,044
GREEN	1,080	1,404
GREEN LAKE	649	807
IOWA	656	834
IRON	386	483
JACKSON	910	1,117
JEFFERSON	1,953	2,632
JUNEAU	980	1,328
KENOSHA	5,881	7,888
KEWAUNEE	536	667
LA CROSSE	4,164	5,243
LAC DU FLAMBEAU	316	378
LAFAYETTE	390	545
LANGLADE	1,145	1,416
LINCOLN	1,119	1,371

AGENCY	MARCH 2001	MARCH 2003
MANITOWOC	2,326	3,174
MARATHON	3,727	4,875
MARINETTE	1,816	2,313
MARQUETTE	554	740
MENOMINEE CO	391	449
MILWAUKEE	68,216	84,467
MONROE	1,672	2,077
OCONTO	1,125	1,440
ONEIDA	1,648	2,054
ONEIDA TRIBE	414	470
OUTAGAMIE	2,808	4,283
OZAUKEE	1,016	1,363
PEPIN	281	362
PIERCE	816	1,030
POLK	1,572	1,940
PORTAGE	2,181	2,886
POTAWATOMI	0	29
PRICE	1,051	1,159
RACINE	6,790	8,921
RED CLIFF	205	206
RICHLAND	832	1,112
ROCK	6,124	8,284
RUSK	946	1,128
SAUK	1,790	2,308
SAWYER	1,102	1,311
SHAWANO	1,375	1,824
SHEBOYGAN	2,814	3,989
SOKAOGON	89	97
ST. CROIX	1,304	1,844
STOCKBRIDGE-MUNSEE	43	79
TAYLOR	970	1,094
TREMPEALEAU	1,259	1,450
VERNON	1,115	1,292
VILAS	669	792
WALWORTH	2,259	3,318
WASHBURN	879	1,139
WASHINGTON	2,089	2,824
WAUKESHA	4,944	6,413
WAUPACA	2,225	2,786
WAUSHARA	934	1,067
WINNEBAGO	4,033	5,437
WOOD	3,033	3,733

Attachment 2

PRELIMINARY BASE ALLOCATIONS FOR 2004 IM CONTRACTS

AGENCY	2004 PRELIMINARY BASE ALLOCATION
STATEWIDE TOTAL	\$50,629,517
ADAMS	246,714
ASHLAND	321,004
BAD RIVER	97,600
BARRON	557,118
BAYFIELD	180,952
BROWN	1,461,434
BUFFALO	160,644
BURNETT	204,967
CALUMET	198,813
CHIPPEWA	548,323
CLARK	306,325
COLUMBIA	358,583
CRAWFORD	198,438
DANE	2,389,174
DODGE	547,948
DOOR	212,486
DOUGLAS	559,362
DUNN	356,148
EAU CLAIRE	835,461
FLORENCE	160,644
FOND DU LAC	789,009
FOREST	160,644
GRANT	410,108
GREEN	271,300
GREEN LAKE	168,383
IOWA	169,954
IRON	160,644
JACKSON	226,962
JEFFERSON	501,309
JUNEAU	257,064
KENOSHA	1,467,075
KEWAUNEE	160,644
LA CROSSE	990,361
LAC DU FLAMBEAU	160,644
LAFAYETTE	160,644
LANGLADE	279,707
LINCOLN	273,871
MANITOWOC	595,250
MARATHON	921,433
MARINETTE	441,559
MARQUETTE	160,644

AGENCY	2004 PRELIMINARY BASE ALLOCATION
MENOMINEE CO	160,644
MILWAUKEE	15,829,372
MONROE	397,988
OCONTO	278,042
ONEIDA	393,047
ONEIDA TRIBE	160,644
OUTAGAMIE	713,455
OZAUKEE	263,620
PEPIN	160,644
PIERCE	205,865
POLK	375,544
PORTAGE	548,885
POTAWATOMI	97,600
PRICE	258,609
RACINE	1,679,267
RED CLIFF	160,644
RICHLAND	216,607
ROCK	1,526,668
RUSK	235,042
SAUK	440,623
SAWYER	270,056
SHAWANO	349,967
SHEBOYGAN	714,927
SOKAOGON	97,600
ST. CROIX	344,616
STOCKBRIDGE-MUNSEE	97,600
TAYLOR	240,429
TREMPEALEAU	305,293
VERNON	272,973
VILAS	172,872
WALWORTH	578,819
WASHBURN	221,664
WASHINGTON	537,128
WAUKESHA	1,209,508
WAUPACA	530,154
WAUSHARA	232,349
WINNEBAGO	1,013,873
WOOD	707,532